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FM AMEMBASSY KUALA LUMPUR
TO RUEHC/SECSTATE WASHDC PRIORITY 1823
INFO RUCNASE/ASEAN MEMBER COLLECTIVE
RUEHLO/AMEMBASSY LONDON 0508
RUEHBY/AMEMBASSY CANBERRA 2665
RHEHNSC/NSC WASHDC
RHHMUNA/HQ USPACOM HONOLULU HI

C O N F I D E N T I A L SECTION 01 OF 02 KUALA LUMPUR 000944

SIPDIS

FOR EAP/MTS AND INR

E.O. 12958: DECL: 10/24/2018

TAGS: [PGOV](#) [KDEM](#) [MY](#)

SUBJECT: MCA, GERAKAN PARTY CONVENTIONS CRITICIZE UMNO

REF: KUALA LUMPUR 787 -- UMNO AND ITS COALITION IN
DISARRAY

Classified By: Political Counselor Mark D. Clark for reasons 1.4 b and
d.

Summary and Comment

¶1. (C) The recent conventions of the Malaysian Chinese Association (MCA) and the Malaysian People's Movement (Gerakan), two Chinese-based component parties of the ruling National Front (BN), featured open criticism of the United Malays National Organization's (UMNO) domineering role in the coalition. In the respective party elections, Ong Tee Keat emerged as MCA President and Koh Tsu Koon became Gerakan President unopposed. Association with BN status quo arrangements played into the defeat of frontrunner Ong Ka Chuan who sought the MCA Deputy President post. For other senior positions, MCA and Gerakan largely elected a new slate of officials who face the challenge of reviving the parties after their dismal performance in the March elections. Prime Minister Abdullah denied UMNO "bullying" within BN, while UMNO influenced media took the minority-based parties to task, doing little to assuage MCA and Gerakan concerns. As these developments illustrate, the ruling BN coalition remains seriously frayed along ethnic lines. End Summary and Comment.

MCA and Gerakan: New Crop of Leaders

¶2. (C) The Malaysian Chinese Association (MCA), the second senior coalition partner in the governing National Front (BN) coalition, held its convention and party election on October 18-19. Incumbent President Ong Ka Ting did not seek reelection and the top post was contested by Transport Minister and incumbent Vice President Ong Tee Keat and former Vice President and party veteran Chua Jui Meng. As widely anticipated, Ong defeated Chua, in the end obtaining 60% of votes from 2,378 MCA delegates. However, the Deputy President race produced an upset. Ong Ka Chuan, MCA's Secretary General and the brother of the outgoing MCA President, ran against former Health Minister and MCA Vice President Chua Soi Lek. Ong was the frontrunner for the post because of his family ties and because Chua had been damaged by a sex scandal, which had forced his resignation from the Cabinet in January 2008. Nevertheless, delegates chose Chua over Ong for Deputy President by a narrow margin of 115 votes. Fui K. Song, MCA's think tank chief, commented to us that Ong's loss was due to his image as a staunch BN loyalist and his constant reiteration that MCA will not abandon BN, a message that went against MCA members' expressed unhappiness with UMNO's domination of the coalition (see below).

13. (U) For the four Vice President posts, the party delegates largely abandoned incumbents and elected party leaders with positions in the Cabinet including Health Minister Liow Tiong Lai and Women, Family and Community Development Minister Ng Yen Yen. The same trend played out for the 25 seat central committee positions, for which only 9 incumbents were retained. To reflect the defeat of Ong Ka Chuan, who is the Housing and Local Government Minister, and three deputy ministers, changes in the party line-up could result in a minor Cabinet reshuffle, a possibility acknowledged by Prime Minister Abdullah on October 24.

14. (SBU) Another BN component party, the Malaysian Peoples Movement (Gerakan), a non-racial party dominated by ethnic Chinese, also voted for some change during the party's October 11 election. This followed Gerakan's dismal showing in the March election. Party acting president and former Penang Chief Minister Koh Tsu Koon was returned unopposed. Koh has been the acting President of the party since April 2007 following the retirement of then party president Lim Keng Yaik. The party's Perak Chief and former vice President Chang Ko Youn won the Deputy President post, while the three vice presidents posts went to the party's former Youth chief Mah Siew Keong, former Penang Youth chief Huang Cheng Guan, and incumbent vice president Senator Dr. S. Vijayarajnam. Delegates also voted in 15 new faces in the 18-member central committee.

Parties Criticize UMNO Dominance

15. (SBU) Both the MCA and Gerakan conventions featured open

KUALA LUMP 00000944 002 OF 002

criticism of UMNO's domineering role in the governing coalition. Although delegates at the October 18-19 MCA convention did not urge party leaders to consider pulling out of the BN coalition, they also did not hide their frustration and anger over UMNO's arrogance and "bullying" within BN. Some MCA delegates proposed that the party leadership adopt the motto "dare to be angry, dare to speak up and dare to act" as their motto in order to rebrand the party in the hope of regaining the peoples' confidence.

16. (SBU) Outgoing MCA President Ong Ka Ting in his farewell address took responsibility for MCA's loss in the March 8 general election, where the party only won 15 out of 40 parliamentary seats and 31 of 90 state seats contested, compared with 31 parliamentary seats and 76 state seats in the 2004 polls. Casting blame on UMNO, Ong Ka Ting stated candidly that "UMNO is seen as far too dominant over the other component parties." He added that the BN's power-sharing concept is often seen as only paying lip service to UMNO's junior partners. MCA think tank chief Fui K. Song told poloffs on October 20 that the MCA President was highlighting the status quo practice: the UMNO Supreme Council debates and makes decisions on all major policies, and afterward the BN component parties are expected to rubber stamp the decisions. She added in the post-March 2008 general election scenario, the BN component parties are "demanding the rewriting of rules for the respective parties to remain relevant."

17. (SBU) Heated criticism of UMNO also took center stage at Gerakan's convention, in which delegates wanted party leaders to review the party's role within the BN if UMNO refuses to reform. Party delegates blamed UMNO's arrogance toward its coalition partners for the loss of substantial non-Malay support during the March 2008 general election. Gerakan bore the brunt of the desertion of non-Malay voters as the party not only lost Penang state, its crown jewel (since 1969), but its political representation was reduced to only two parliamentary and four state seats, compared with 10 parliamentary and 30 state seats in the 2004 general election.

18. (SBU) During the debates at the Gerakan convention, party delegates called for BN and the party "to fight for all Malaysians," "reject third class leaders who divide and rule," "acknowledge BN's weaknesses," and "free the party from being manipulated by UMNO leaders and warlords." Party President Koh Tsu Koon stressed that party leaders will not be "yes-men" anymore and would remain in the coalition "as long as we have a meaningful role." Party veteran leader Ng Lip Yong told poloffs that it would be unwise for Gerakan to leave the coalition now as UMNO would interpret it as "non Malays ganging up against the Malays." However, the party is now expected to more aggressively challenge the status quo and push for reforms which party leaders believe "the public will receive positively."

PM Abdullah Attempts to Counter MCA, Gerakan Concerns

19. (SBU) BN Chairman and Prime Minister Abdullah Badawi, speaking at the MCA convention, attempted to counter MCA criticisms, stating that that "there is no such thing as bullying by UMNO." The PM blamed opposition parties for creating the perception that UMNO is a bully in the coalition. Outside the convention, other UMNO leaders backed Abdullah and dismissed the MCA frustrations, accusing BN component leaders of being "weak" and "afraid of raising issues" at BN meetings.

10. (SBU) The UMNO-dominated daily New Straits Times poured salt into the wounds in an October 20 editorial, pointing out that "equal footing has not been the principle that governs relations among BN component parties," and calling on MCA "to look beyond the narrow confines of Chinese interests." Commenting on the responses by the UMNO President and other party leaders, political analyst Khoo Kay Peng, a former Gerakan think tank chief, told poloffs that "UMNO's bullying is so institutionalized" that UMNO leaders do not realize their own domineering position in the coalition.

KEITH